



THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

9 March 1979

National Intelligence Officers

MEMORANDUM FOR: Deputy Director, NFAC 

FROM:  25X1A
National Intelligence Officer for China

SUBJECT: Allocation of our Resources among China,
North Korea, South Korea and Vietnam

1. I appreciate the fact that NIO/China is not an action addressee of your memorandum of 6 March on the same subject. I would, however, like to point out that China is a topic of great and continuing interest to the White House and to other departments of the Government (e.g., State, Treasury, Commerce and Defense), and that the existence of an experienced corps of China analysts has been a very significant factor in our ability to stay abreast of major developments in China affecting US interests.

2. To cite examples, we have followed the evaluation of Chinese policies on leadership changes, modernization, normalization of relations with the US, and the Sino-Vietnam conflict in ways which have correctly forecast trends having direct bearing on US policy. Of particular note is our analytical performance prior to and during China's attack on Vietnam. In addition, we have provided key briefing papers (some on very short notice) for use by the President during the Deng Xiaoping visit to Washington and by Secretary Blumenthal on his recent visit to China.

3. Needs for analysis on China will not diminish, at least from the standpoint of ORPA and OER. Secretary Kreps' visit to China is now scheduled for May, other high-level Administration and Congressional visits will also take place, and in the not-too-distant future a Presidential visit to China will be scheduled. Hua Guofeng, Chairman of the CCP, will in addition be coming to Washington.

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4. Accordingly, I would hope that in our assessment of analytical resources with a view towards reallocation, the points I have outlined above will be kept in mind. I would regret a reduction in our capabilities on analysis of China just as demands are on the rise.

5. Perhaps on the OSR side some shifts may be possible. I understand that our knowledge of North Vietnamese OB has been handicapped by a shortage of full-time analysts and some shifting from the China side would not materially affect our ability to keep up with Chinese OB.

6. Acknowledging that there are problems in keeping up with North Korea, South Korea and Vietnam, would it be possible to hire additional analysts to help address our needs in these areas, rather than shifting resources from China?

25X1A

OFFICIAL ROUTING SLIP

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John - I thank you for your views, which I value & shall take into account.

<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> COMMENT	<input type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE

Remarks:

Allocation of resources - no decline in interest in China.

[Signature]

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

John H. Holdridge, NIO/CH, 5721 9Mar79